

**NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
DECEMBER 19, 2013  
SUSSEX ROOM - 6<sup>TH</sup> FLOOR**

**I      Call to Order and Roll Call - 10:10 A.M.**

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 10:10 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Richard C. Barlotta, PA	Present
Jorge A. Caballero, CPA	Present
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Excused
Daniel J. Geltrude, CPA	Excused
Dennis C. Meyerson, PA	Present
Hal Model, CPA	Excused
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were William Mandeville, Executive Director, Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant and Marie Lisa, Staff.

On a motion made by Keith Balla, seconded by Dennis Meyerson, the Board voted to enter into Executive Session at 10:12 A.M. to discuss the two matters of Old Business, one New Business matter, one Request to Mitigate an Admonishment Letter and the reports from the PCAOB. The vote of the Board was unanimous.

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Public Session reconvened at 11:30 A.M.

Also present at the meeting were Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA, Gerard Abbastista, President, NJSCPA; Brad Muniz, President-Elect, NJSCPA and Edward W. Price.

## **II      Minutes of the Meeting of November 21, 2013**

On a motion made by Richard Barlotta, seconded by Dennis Meyerson, the Board voted to approve the November 21, 2013 Public Session minutes with corrections. The vote of the Board was unanimous.

## **III     President's Remarks**

President Dailey passed around the most recent Focus Questions with answers for Board review before submission to NASBA.

President Dailey thanked everyone for attending the Board meeting and wished everyone a very happy holiday season. Everyone was invited to stay for lunch following the Board meeting.

## **IV     Executive Director's Remarks**

Executive Director Mandeville had no report for the Board.

## **V       UNIFORM PENALTY LETTER IN LIEU OF FORMAL COMPLAINT FOR CPE AUDIT - RENEWAL PERIOD 2009-2011**

### **A       PAID PENALTY AND WILL MAKE UP CREDITS**

#### **1       Tracey Lin - \$4,000 - 10 month payment plan**

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to accept the payment plan from Ms. Lin. The vote of the Board was unanimous.

**B      REQUESTED BOARD TO CONSIDER EXPLANATION**

1      James J. Furey

On a motion made by Keith Balla, seconded by Jorge Caballero, the Board voted to reduce the UPL issued to \$2,500.00 and inform Mr. Furey that he must make up 44 CPE credits and the four NJ Law & Ethics credits. The vote of the Board was unanimous.

2      Michael Biglin

On a motion made by Jorge Caballero, seconded by Richard Barlotta, the Board voted to send Mr. Biglin a letter requesting that he provide proof of his financial hardship that prevented him from completing his CPE. The vote of the Board was unanimous.

3      Daniel DeSerio

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to send Mr. DeSerio a letter requesting that he provide proof of his financial hardship that prevented him from completing his CPE. The vote of the Board was unanimous.

**VI      Old Business**

A      Gerald McCann

An anonymous letter was received wherein Mr. McCann is referring himself as a CPA.

On a motion made by Keith Balla, seconded by Ainsley Reynolds, the Board voted to send a letter to Mr. McCann's last known address and remind him that his license is revoked in New Jersey. A copy of the Consent Order and newspaper article are to be included in the letter. The vote of the Board was unanimous.

## **VII Request for Peer Review Waiver**

A Donna M. Massa, CPA

Correspondence was received from Ms. Massa wherein in she request a Peer Review waiver.

On a motion made by Ainsley Reynolds, seconded by Jorge Caballero, the Board voted to grant Ms. Massa a one-time exemption waiver from Peer Review. Ms. Massa is to be informed that in future she must complete a Peer Review form within 30 days from performing an audit. The vote of the Board was unanimous.

## **VIII Request for Reciprocity**

A Michael S. Pedulla

This matter was previously reviewed at the September 19, 2013 Board meeting and the Board requested additional information. The Board was interested in knowing what services Mr. Pedulla provided 1996 thru 2013 and in what state was he practicing in.

Mr. Pedulla has provided additional information for Board review and consideration.

On a motion made by Keith Balla, seconded by Michael Runge, the Board voted to approve Mr. Pedulla's request for reciprocity. The vote of the Board was unanimous.

## **IX Committee Reports**

A CPA Examination Committee

No report was given.

B Ethics Committee

Jorge Caballero had no report for the Board.

C     CPE Committee

No report was given.

D     RMA Committee

John Dailey reported to the Board that the RMA examination was held on December 6, 2013. President Dailey reported that 23 licensees were scheduled, 3 individuals did not show up or canceled the day before.

President Dailey informed the Board that grading of the exam will commence in January 2014. A report should be available for the January 30, 2014 Board meeting.

E     Peer Review Oversight Committee

A list of firms that are not currently in compliance with the Peer Review regulations are presented for Board review which will also be part of the Public Session minutes.

President Dailey informed the Board that Executive Director Mandeville is currently working with the MIS department to add a question to the renewal form. The question to be added would be regarding being in compliance with Peer Review.

F     Education Committee

Ainsley Reynolds had no report for the Board.

G     Reciprocity Committee

Michael Runge had no report for the Board.

H     Nominating Committee

Keith Balla had no report for the Board.

I     Statute/Rules/Regulations Committee

Keith Balla had no report for the Board.

J     Monitoring Profession Committee

Keith Balla had no report for the Board but did remind the Committee members that a MPC meeting will be held on January 14, 2014.

**X     Public Comments**

Edward Price informed the Board that he had previously submitted information for Board review regarding financial issues in Ocean County.

Ralph Albert Thomas, CEO and Executive Director of the New Jersey Society of CPAs. First and foremost, on behalf of the Society Mr. Thomas extended Happy Holidays and Happy New Year wishes to Board members and staff. Additionally, Mr. Thomas thanked those Board members who attended the Society's Annual Holiday Leadership Luncheon on December 6<sup>th</sup> in Roseland. Following are the Society's key dates, activities and initiatives:

**Update on Important Society Dates**

- January 15<sup>th</sup>, 2014 - The Society's Annual Women's Conference at the Renaissance Hotel Woodbridge, NJ
- April 24<sup>th</sup>, 2014 - Annual Society Awards Ceremony at the Renaissance Hotel Woodbridge, NJ from 6pm to 8:30pm.
- May 14<sup>th</sup> & 15<sup>th</sup>, 2014 - NJSCPA Annual Accounting, Business and Technology Show at the Meadowlands Exposition and Convention Center, Secaucus, NJ.

- May 28<sup>th</sup> & 29<sup>th</sup>, 2014 - Society's Scholars Institute Program at Montclair State University, Montclair, NJ.
- June 4<sup>th</sup>-6<sup>th</sup>, 2014 - NJSCPA Annual Convention & Expo at Bally's in Atlantic City, NJ

Mr. Thomas updated Board members and staff on the following Society activities and initiatives:

- S 2116, the Reciprocity Bill which the Society has been supporting, was passed by the full Senate unanimously and is up for a vote by the full Assembly today in Trenton. In view of the fact the bill was passed unanimously by the Senate, we expect the bill will be passed by the Assembly and sent to the Governor's desk for signature before the end of the "lame duck" session.
- As previously reported, S 3030, the Economic Growth Bill sponsored by Senator Lesniak was unanimously voted out of the Senate Economic Growth Committee and referred to the Senate Budget Committee, but was not posted for consideration at the Committee's December 12<sup>th</sup> meeting. It appears lawmakers from both sides of the aisle have concerns over various subsidies and credits contained in the bill. Additionally, there is opposition to the Appeal Bond Cap provisions contained in S 3030.
- As a result of the Society's meeting with Assemblywoman Munoz regarding her proposed legislation (A4378), which requires mandatory audit firm rotation for local governments, the Assemblywoman has pulled the bill. The Society will be working with the Assemblywoman to propose recommendations to incorporate in a new bill to address concerns surrounding controls over local and county expenditures without requiring mandatory audit firm rotation.

### **Additional Comments:**

Before concluding with his comments, Mr. Thomas expressed concerns over the Board's decision to eliminate the 60 hour maximum requirement on self-study CPE in a reporting period. The Society is concerned that licensees' may abuse the Board's decision by taking self study programs for "compliance" versus competency purposes. In other words, licensees would take easy self study courses where they would simply take the exam for credit without reading the course material. The aforementioned issue is the reason why a prior Board passed the 60 hour maximum requirement for self-study CPE. Additionally, it is understood that part of the Board's decision was made to address a concern that the NJ State Board regulations were more restrictive than the majority of those of other State Boards of Accountancy. Our research indicates 33 out of the 50 plus, or 60 plus percent of State Boards have some type of limitation on self-study CPE credits. In view of the above and the fact the CPE landscape is moving to a

competency model versus compliance model, we respectively request the Board to reconsider its November action eliminating the 60 hour maximum self-study requirement. The Society plans to put together a small taskforce to review this matter and render its findings for inclusion in a comment letter once the new regulations are posted in the NJ Register for public comment.

Again, Happy Holidays to everyone and all the best for a Happy New Year!

On a motion made by Jorge Caballero, seconded by Dennis Meyerson, the Board voted to adjourn the Board meeting at 1:00 P.M. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville  
Executive Director